



NASA Network
Affiliated
Stations
Alliance

October 30, 1995

The Honorable Reed Hundt
Chairman
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

RE: Network Affiliate Rules MM Docket No. 95-92

Dear Chairman Hundt:

On behalf of the Association of Independent Television Stations, Inc. (INTV) and the Network Affiliated Station Alliance, (NASA), we urge you to retain the network affiliate rules. NASA represents over 600 local television stations affiliated with the ABC, CBS and NBC networks. INTV is the leading trade association representing stations affiliated with the Fox, UPN and WB networks. Together, we represent almost every commercial television station in the United States, with the exception of stations owned by ABC, CBS, Fox and NBC.

Our nation's television system has been built on one fundamental precept – local television stations, not the networks, are licensed to serve local communities. This principle is embodied in three important rules: the right to reject rule; the rule prohibiting networks from "optioning time" on affiliates; and, the exclusive affiliation rule. These rules form the foundation of a unique partnership between national network program suppliers and local stations. As a result, the television industry has been able to maintain a delicate equilibrium between powerful network programmers and local television stations.

The FCC's proposed changes to these rules tip the scale, vesting national network programs suppliers with more power, while limiting the ability of a television station to select broadcast programming that meets the needs of its local community. These proposals strike at the heart of local control over programming.

Rapid changes in the television industry compel the retention, not the elimination or modification, of these rules. It is no secret that in response to the elimination of several FCC rules the networks are becoming more powerful, vertically integrated entities. Moreover, the rise of alternative non-broadcast video delivery systems will give new network/studio combinations increasing opportunities to bypass the off-air television system. As a result, the ability of a network to exert leverage over its own affiliates will increase, not decrease, in the future.

The FCC must remember that the recent affiliation switches were precipitated by one network's desire to increase its portfolio of VHF affiliates. This created a domino effect throughout the industry, with many long time affiliates losing their affiliation. Affiliate switches were not the result of new found economic clout by the affiliates.

We do believe, however, that expanding the geographic zone for network territorial exclusivity is reasonable given today's marketplace realities. As Congress recognized when enacting must-carry rights and changing the zone for cable's compulsory license, a station's Designated Market Area (DMA) is a more accurate definition of a local television market.

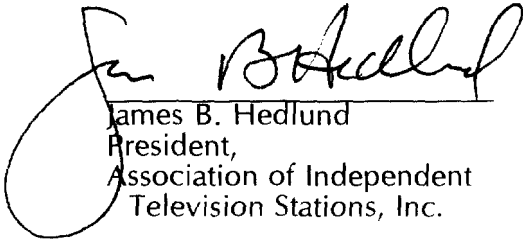
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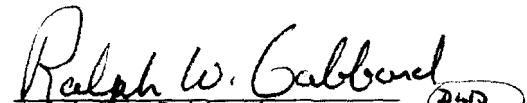
The Honorable Reed Hundt
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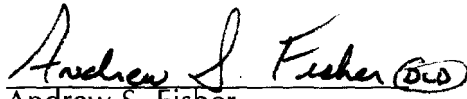
While we applaud the Commission's reexamination of the dual network rule, there is a danger that changing the rule now could have an adverse impact on local stations and new emerging networks. These concerns may be attenuated as the television industry moves towards the deployment of digital television. Accordingly, we ask you to defer action on this rule until we have a chance to analyze the rule and its relationship with digital television.

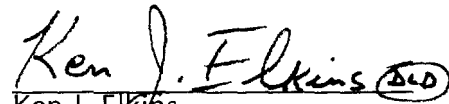
In summary, an overwhelming majority of this nation's commercial television stations oppose the FCC's proposals to modify or eliminate the right to reject rule; the time optioning rule; and, the exclusive affiliation rule. Together, these rules created a free, off-air television system that is the envy of the world. This system is based on the principle that local stations should be the ultimate arbiters of the programming that will be seen in their communities. This policy should be continued and not abandoned.

Sincerely,


James B. Hedlund
President,
Association of Independent
Television Stations, Inc.


Ralph W. Gabbard
Chairman,
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Andrew S. Fisher
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cc: The Honorable Larry Pressler
The Honorable Ernest F. Hollings
The Honorable Jack Fields
The Honorable Edward Markey
The Honorable James Quella
The Honorable Andrew Barrett
The Honorable Susan Ness
The Honorable Rachelle Chong